



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

December 16, 1992

Mr. David I. Hodson, General Manager
Barneys Canyon Mine
Kennecott Corporation
8200 South 9600 West
P.O. Box 311
Bingham Canyon, Utah 84006-0311

Dear Mr. Hodson:

Re: Permit Transfer Finalization, Kennecott Corporation, Barneys Canyon Mine,
M/035/009, Salt Lake County, Utah

It has recently come to our attention that the formal permit transfer of the Barneys Canyon Mine from Kennecott Explorations (Australia) Ltd. to Kennecott Corporation (Kennecott), was not finalized. The ownership change notification and permit transfer form were forwarded to the Division by Kennecott's January 30, 1990 letter (copy attached). When originally submitted, the transfer document was incomplete, pending the approval of alternate language proposed for the Reclamation Contract (FORM MR-RC). The Division temporarily suspended its review until the Reclamation Contract agreement was approved by the Board of Oil, Gas and Mining. The Reclamation Contract was formally accepted and signed by the Board of Oil, Gas and Mining on December 20, 1991.

We would like to finalize the transfer process at this time. In order to accomplish this we will need Kennecott to provide the following information:

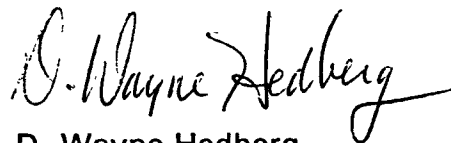
1. A written legal description of the actual disturbed area at the time of the permit transfer. Kennecott provided a map entitled, "Total Disturbed Area" (Appendix A - 12/31/89), which was attached to the 1989 annual report. However, it did not contain a written description of the lands affected and did not contain Township, Range and section lines that would enable us to generate a description. Please provide a written legal description to at least the quarter-quarter section (quarter/quarter/quarter preferred). A blank page (Appendix A) is attached to assist you in this request.

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David I. Hodson
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2. Confirmation that the actual disturbed acreage, at the time of the permit transfer, was approximately 444.1 acres. This figure was derived from the acreage breakdown provided on the disturbed area map (Appendix A).

Once we have this supplemental information, we will seek the signature of the Division Director and then provide you with a copy of the completed transfer agreement. Thank you for your continued cooperation, patience and assistance in completing this permitting action. Please call me directly, if you have questions in this regard.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

attachment

jb

cc: Lowell Braxton, DOGM
Minerals staff (route)
M035009.trn

KENNECOTT CORPORAT

BARNEYS CANYON MINE

P. O. BOX 311

BINGHAM CANYON, UT 84006-0311

(801)569-7100

RECEIVED
JAN 30 1990

KENNECOTT

January 30, 1990

DIVISION OF
OIL, GAS & MINING

Mr. Lowell Braxton
Associate Director
Utah Division of Oil, Gas & Mining
3 Triad Center - Suite 35
Salt Lake City, UTah 84108-1203

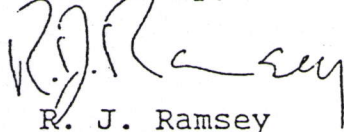
Dear Mr. Braxton:

Enclosed is the 1989 annual report of mining operations (Form MR-AR) for Barneys Canyon Mine. Construction and operation of the mine were begun in 1989, with the first gold pour on September 15. Current activities including mining at both the Barneys Canyon and Melco pits, are described in the revised Notice of Intent submitted to you on October 2, 1989. Reclamation activities have already begun with seeding of those areas disturbed by the construction which will no longer be active.

Also in 1989, a change in ownership occurred. There have been no changes in personnel or operations. A completed transfer of Notice of Intent (Form MR-TRL) is enclosed for your records. A reclamation contract (Form MR-RC) has not been submitted pending follow up from your department on alternate language previously suggested by Kennecott. A rider for the current bond (64S 100507894BCA) reflecting the new ownership is enclosed.

Please feel free to contact me or Ms. Cindy Emmons of the Kennecott headquarters staff should you have any questions regarding the enclosed information.

Sincerely,


R. J. Ramsey

cc: E. C. Tingey
C. S. Emmons

Mine Name: _____
Permit #: _____
Operator: _____

APPENDIX A

The legal description of lands disturbed at the time of this permit transfer is as follows: